

UTAH COUNTIES INSURANCE POOL

BOARD OF TRUSTEES MEETING

Thursday, May 12, 2011, 12:00 p.m.

Hilton Garden Inn, Indigo Room

1731 S. Convention Center Drive, St. George

AGENDA

12:00 Lunch Provided

12:30 Call to Order

Kay Blackwell

ITEM

1 Review/Excuse Board Members Absent

Kay Blackwell

2 Review/Approve April 15, 2011 Meeting Minutes

Steve Wall

3 Review/Approve Amended Investment Policy

Johnnie Miller

4 Ratification and Approval of Payments and Credit Card Transactions

Steve Wall

5 Set Date and Time for Closed Meeting
to Discuss Character, Professional Competence, Physical/Mental Health of an Individual

Kay Blackwell

6 Action on Personnel Matters

Kay Blackwell

7 Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation

Kay Blackwell

8 Action on Litigation Matters

Kent Sundberg

9 Loss Control Manager's Report

Mark Brady

10 Chief Executive Officer's Report

Johnnie Miller

11 Other Business

Kay Blackwell



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

BOARD OF TRUSTEES MEETING

MINUTES

May 12, 2011, 12:00 p.m.
Hilton Garden Inn, St. George, UT

BOARD MEMBERS PRESENT

Kay Blackwell, *President*, Piute County Commissioner
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk-Auditor
Bruce Adams, San Juan County Commissioner
Craig Dearden, Weber County Commissioner
Brad Dee, Weber County Human Resources
Marilyn Gillette, Tooele County Clerk
Jerry Hurst, Tooele County Commissioner
Cameron Noel, Beaver County Sheriff

BOARD MEMBERS ABSENT

Jim Eardley, *Vice President*, Washington County Commissioner
Gary Anderson, Utah County Commissioner
Bret Millburn, Davis County Commissioner
Kent Sundberg, Utah County Deputy Attorney

OTHERS PRESENT

Mark Brady, UCIP Loss Control Manager
Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Manager of Administration

Call to Order

Kay Blackwell called this meeting of the Utah Counties Insurance Pool Board of Trustees to order at 12:00 p.m. on May 12, 2011 and welcomed those in attendance.

Review/Excuse Board Members Absent

Brad Dee made a motion to excuse Jim Eardley, who had a family emergency, Gary Anderson and Bret Millburn, who had prior commitments, and Kent Sundberg, who is out of state. Karla Johnson seconded the motion, which passed unanimously.

Approve April 15, 2011 Meeting Minutes

The minutes, of the Board of Trustees meeting held April 15, 2011, were previously sent to the Board Members for review (see attachment number one). Steve Wall made a motion to approve the April 15, 2011 meeting minutes as written. Karla Johnson seconded the motion, which passed unanimously.

Review/Approve Amended Investment Policy

Recommended revisions to the Investment Policy were previously sent to the Board Members for review (see attachment number two). Johnnie Miller reported that the investment advisors from Zions Wealth have reviewed the structure of the Policy in order to enter into an agreement to provide investment advisor services. The Audit Committee is charged with reviewing the policy and recommending revisions to the Board of Trustees. An Audit Committee meeting will be scheduled and recommendations made to the Board at its next meeting.

Ratification and Approval of Payments and Credit Card Transactions

Steve Wall reviewed the payments made, payments to be made (see attachment number three) and credit card transactions with the Board. Steve Wall made a motion to approve the payments made, payments to be made and credit card transactions. Marilyn Gillette seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Karla Johnson made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Craig Dearden seconded the motion, which passed unanimously.

Action on Personnel Matters

Karla Johnson made a motion to strike agenda item: *Action on Personnel Matters*. Craig Dearden seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Steve Wall made a motion to Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation for 12:25 p.m. on May 12, 2011. Jerry Hurst seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Kay Blackwell, Steve Wall, Bruce Adams, Craig Dearden, Brad Dee, Marilyn Gillette, Jerry Hurst, Karla Johnson and Cameron Noel. Mark Brady, Johnnie Miller and Sonya White were also present.

The regular meeting resumed at 12:40 p.m. on May 12, 2011.

Action on Litigation Matters

Karla Johnson made a motion to strike agenda item: *Action on Litigation Matters*. Craig Dearden seconded the motion, which passed unanimously.

Loss Control Manager's Report

Mark Brady reported that he met with the Sheriff's Association at their monthly meeting where the Lexipol program continues to be discussed. Several years ago the Pool looked at financing some of the startup costs of this policy development program, for its members, but couldn't get enough participation. For law enforcement corrections, Lexipol is now offering a 30% discount to participating counties. For law enforcement field operations, under certain conditions, a two percent discount is being offered. Mark will continue to keep the Board updated on this matter.

Chief Executive Officer's Report

Johnnie Miller reported that a letter has been sent to Utah Congressmen, on behalf of UCIP, requesting their support of the Smart Act legislation that amends the Medicare reporting requirements and penalties.

Johnnie Miller reported that the Fair Coverage Training presented by UCIP on April 21 was a great success. Marilyn Gillette confirmed that the training was very helpful and informative. Only positive feedback has been received and UCIP will continue to provide this training.

Johnnie Miller reported that he, Kay Blackwell, Steve Wall and Blake Green met with the Utah Risk Management Mutual Association (URMMA) Board to answer their questions about the joint purchase of the Pool's Workers Compensation Program with Workers Compensation Fund (WCF) and the feasibility of URMMA and UCIP partnering for this type of exposure.

Johnnie Miller reported that Western Ag contacted staff in regards to the possibility of sub-leasing space to the Utah Cattleman's Association. If UCIP has space that the Association wants to occupy, staff will assure that there are no tax status issues involving leasing to a non-governmental agency.

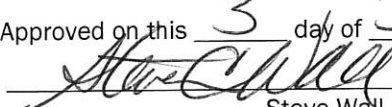
Johnnie Miller explained that several publications have reported that 19 self-insured workers compensation pools in New York have voluntarily terminated operations and another 17 have become insolvent. The courts have assessed healthy pools to pay the debt. This could be the case in Utah; UCIP members may be held responsible for the underwriting losses of another self-insured pool.

Johnnie Miller reported that UCIP is assuming FEMA will be paying for the flood losses in Washington County since the Pool has not heard otherwise since the coverage exclusion letter was sent.

The Board will discuss the following items at the upcoming Strategic Planning Session: Open Meetings Act, Fiduciary Responsibilities, Actuarial Analysis, Mission Statement, Goals and Objectives and Surplus Position. Johnnie Miller also recommended discussions regarding proposed legislation requiring private sector allowance of joint purchasing by governmental pools.

Other Business

The next meeting of the Board of Trustees is scheduled for June 3, 2011 at 8:30 a.m. at the Desert Rose Inn, Bluff, Utah.

Approved on this 3 day of June 2011

Steve Wall, UCIP Secretary-Treasurer



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MEMORANDUM

To: Board of Trustees

From: Johnnie Miller

Date: March 6, 2011

Re: Investment Policy Revisions

I have attached a copy of the current UCIP Investment Policy Addendum of the Bylaws. This copy highlights areas I recommend be reviewed for update or revision.

Per the policy, the Audit Committee is charged with reviewing the policy and recommending revisions to the Board of Trustees. I have a meeting scheduled with Zions Bank representatives for Monday, May 9, 2011 to discuss their comments and suggestions on the current policy to assure any changes needed to enter into agreement with them to provide Investment Advisor services have been identified. I will schedule a meeting of the Audit Committee as soon thereafter to have them develop specific recommended revisions to the policy.

Please don't hesitate to contact me with any questions or concerns.

JRM/jrm



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INVESTMENT POLICY ADDENDUM

**UTAH COUNTIES INSURANCE POOL
INVESTMENT POLICY ADDENDUM**

I. POLICY

It is the policy of the Utah Counties Insurance Pool ("UCIP") to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of UCIP and conforming to all state and local statutes governing the investment of public funds.

II. SCOPE

This investment policy is created and maintained by the Audit Committee of UCIP and applies to all financial assets of UCIP.

These funds are accounted for in the Annual Financial Report of UCIP.

III. PRUDENCE

Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

- A. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- B. Prohibited practices shall include, but not be exclusive to churning, unnecessary transactions and rebating.

IV. OBJECTIVE

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification will be utilized so potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

- B. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable UCIP to meet all operating requirements which might reasonably be anticipated and documented in the annual Board approved Operating Budget.
- C. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

V. DELEGATION OF AUTHORITY

- A. Authority to manage the investment program is derived from the Bylaws of UCIP. The Audit Committee is charged with making recommendations to the Board on the financial affairs of UCIP and may designate appropriate staff to develop written procedures for the operation of the investment program consistent with this investment policy. Procedures will include reference to:
 - 1. Safekeeping;
 - 2. PSA Repurchase Agreements;
 - 3. Wire Transfer Agreements;
 - 4. Banking Service Contracts, including the establishment of a Custodial Bank Agreement;
 - 5. Collateral/Depository Agreements; and
 - 6. Investment Advisor Selection and Evaluation.
- B. It is the responsibility of the members of the Audit Committee to report to the Board all decisions and action taken by the Audit Committee.
- C. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Audit Committee. The Manager of Administration, under the supervision of the Chief Executive Officer, shall be responsible for daily financial transactions.

More specifically, no funds shall be transferred out of or between the separate accounts at any time, for any reason, without the signature, to approve the transfers, of either the UCIP Manager of Administration or the UCIP Chief Executive Officer, and one of the following, the UCIP President, the UCIP Vice President or the UCIP Secretary-Treasurer of the Board of Trustees. The authorization of the Board of Trustees officer may be via electronic mail or fax transmittal.

All transfers will be submitted for ratification to the Board of Trustees at the next Board meeting.

- D. The Audit Committee may choose to select an Investment Advisor to manage the investment assets. Those assets would include funds not required by cash flow projections to meet the immediate needs of UCIP. In the event that the Audit Committee decides to select an Investment Advisor, such selection will be made through a formal Request for Qualifications/Request for Proposal process. Investment Advisors must be certified by the Utah Money Management Council.

The Investment Advisor would be charged with the following responsibilities:

1. Adopting an investment philosophy which is compatible with the policies of UCIP as set forth in Section I above;
2. Selecting appropriate investment instruments to implement the designated philosophy;
3. Selecting Broker/dealers for the purpose of executing investment trades, who meet the requirements set forth in Section VII below;
4. Executing trades at market prices most advantageous to UCIP;
5. Reporting on a regular basis to the Audit Committee on the performance of assets under management as set forth in Section XIV below;
6. Reporting to the Audit Committee in a timely manner, any material changes in the financial or staffing conditions of the management firm.

VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Audit Committee, any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the funds, particularly with regard to the time of purchases and sales.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS:

The Investment Advisor shall maintain a list of financial institutions desiring and authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Utah. Broker/dealers must be certified by the Utah Money Management Council. Funds shall be deposited only in a qualified public depository as certified by the Utah Money Management Council.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS:

UCIP has resolved that its investments shall be limited to those securities authorized by Section 51-7-11, Utah Code Annotated, 1953 as amended, as that Section pertains to the investment of public funds.

IX. COLLATERALIZATION

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements and will also be required on checking accounts if there is a balance of over \$100,000 therein. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two (102) percent of market value of principal and accrued interest. State law rules for collateralization will be adhered to. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

X. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by UCIP shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third - party custodian designated by the Audit Committee and evidenced by safekeeping receipts.

XI. DIVERSIFICATION

UCIP will diversify its investments by security type and institution to the degree that such diversification is permitted. Investments in commercial paper, corporate bonds and asset-backed obligations shall not exceed 20 percent of the total assets of UCIP's investments.

XII. MAXIMUM MATURITIES

To the extent possible, UCIP will attempt to match its investments with anticipated cash flow requirements as determined by the Audit Committee. For funds not specifically matched to cash flow, UCIP will invest in securities not exceeding the terms to maturity as set out in Section 51-7-11 Utah Code Annotated, 1953 as amended.

XIII. PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of UCIP.

Market Yield (Benchmark): UCIP's investment strategy is restricted by Section 51-7-11, Utah Code Annotated, 1953 as amended. Given this limitation to investment strategy, the basis used by the Audit Committee to determine whether market yields are being achieved shall be the Utah Public Treasurers Investment Fund or other appropriate index as designated annually by the Audit Committee.

XIV. REPORTING

The UCIP Manager of Administration is charged with the responsibility of providing a market report on investment activity and returns on a regular basis to the Board of Trustees and to the Audit Committee on an annual basis. Reports to the Audit Committee will include, but not be limited to:

1. Performance;
2. Volatility (as measured by effective duration);
3. Interest earnings;
4. Number of trades;
5. Average maturity;
6. Market sector breakdown.

XV. INVESTMENT POLICY ADOPTION

This investment policy shall be adopted by resolution of the Board of Trustees. The policy shall be reviewed by the Audit Committee annually and any modifications made thereto must be submitted for adoption by the Board of Trustees.

Adopted October 16, 2008

Utah Counties Insurance Pool Payments

April 16, 2011 - May 12, 2011

Type	Date	Num	Name	Memo	Amount
ML Expense					
Liability Check	4/28/2011		QuickBooks Payroll Service	Created by Payroll Services on 04/25/2011	-13,140.00
Liability Check	5/12/2011		QuickBooks Payroll Service	Created by Payroll Services on 05/09/2011	-13,139.95
Liability Check	4/30/2011	ONLINE	Utah Retirement Systems	Unit No: 864 (MAR 2011)	-6,695.91
Liability Check	4/30/2011	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 2701522633974...	-4,972.53
Liability Check	4/30/2011	ONLINE	Utah State Tax Commission	Submission ID: WEB11042900158	-1,690.34
Liability Check	4/30/2011	ONLINE	Nationwide Retirement Solutions	Entity: 644013	-2,115.34
Check	4/26/2011	VISA	Wells Fargo	Account Number: 4856 2002 0633 9635	-234.73
Check	4/26/2011	VISA	Wells Fargo	Account Number: 4856 2002 0869 3567	-1,159.50
Check	5/2/2011	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-2,297.84
Check	4/30/2011	5941	PEHP-LTD	Coverage Period: April 2011	-234.76
Check	4/30/2011	5942	Steven Wall	Mileage Reimbursement	-184.62
Check	4/30/2011	5943	Cameron Noel	Mileage Reimbursement	-225.42
Check	4/30/2011	5944	Kent Sundberg	Mileage Reimbursement	-71.40
Check	4/30/2011	5945	Jim Eardley	Mileage Reimbursement	-326.40
Check	4/30/2011	5946	Korby M. Siggard	Mileage Reimbursement	-273.97
Check	4/30/2011	5947	Shaney M. Kelleher	Mileage Reimbursement	-48.96
Liability Check	4/30/2011	5948	Public Employees Health Program	Policy Number 1076 (APR)	-7,229.44
Bill Pmt -Check	4/30/2011	5949	Boston Deli Catering	Fair Coverage Training Lunch	-402.75
Bill Pmt -Check	4/30/2011	5950	John Stimpson	Invoice Number: 114	-800.00
Bill Pmt -Check	4/30/2011	5951	Paetec	Invoice Number: 2529299	-682.59
Bill Pmt -Check	4/30/2011	5952	Pitney Bowes Global Financial Serv...	Invoice Number: 1528795-AP11	-199.00
Bill Pmt -Check	4/30/2011	5953	Premiere Global Services	Invoice Number: 07096411	-45.93
Bill Pmt -Check	4/30/2011	5954	Purchase Power	Account Number: 8000-9090-018-5759	-229.94
Bill Pmt -Check	4/30/2011	5955	Revco Leasing Company, LLC	Invoice Number: 263974	-815.89
Bill Pmt -Check	4/30/2011	5956	Utah Safety Council	Invoice Number: 03097	-5,500.00
Bill Pmt -Check	4/30/2011	5957	White Automation & Design, LLC	Invoice Number: 2011009	-160.00
Bill Pmt -Check	4/30/2011	5958	Whitney Advertising & Design, Inc.	Invoice Number: 14997	-252.17
Bill Pmt -Check	5/2/2011	5959	Western AgCredit	Invoice Number: 5-2011	-10,788.00
Check	5/9/2011	5960	Johnnie R. Miller	Expense Reimbursement	-59.16
Liability Check	5/10/2011	5961	Opticare of Utah	Invoice Number: 4596	-76.02
Bill Pmt -Check	5/10/2011	5962	Arthur J. Gallagher & Co.	Invoice Number: 95100	-8,314.00
Bill Pmt -Check	5/10/2011	5963	By The Numbers Actuarial Consulting...	Invoice Number: 2011-080	-2,000.00
Bill Pmt -Check	5/10/2011	5964	Les Olson Company	Invoice Number: SU003972	-98.00
Bill Pmt -Check	5/10/2011	5965	Office Depot	Invoice Number: 563254503001	-33.68
Bill Pmt -Check	5/10/2011	5966	Office Depot	Invoice Number: 562804285001	-77.63
Total ML Expense					-84,575.67
TOTAL					-84,575.67



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Public Body: [Board of Trustees](#)

Subject: Insurance

Notice Title: Board of Trustees Meeting

Notice Type: Notice

Notice Date & Time: May 12, 2011
12:30 PM - 3:00 PM

Description/Agenda:

Lunch Provided
Call to Order
Review/Excuse Board Members Absent
Review/Approve April 15, 2011 Meeting Minutes
Review/Approve Amended Investment Policy
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to Discuss Character, Professional Competence, Physical/Mental Health of an Individual
Action on Personnel Matters
Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation
Action on Litigation Matters
Loss Control Manager's Report
Chief Executive Officer's Report
Other Business

Notice of Special Accommodations: In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Insurance Pool, PO Box 760, Midvale, UT 84047, or call 800-339-4070, at least three days prior to the meeting.

Notice of Electronic or telephone participation: Any Member of the Utah Counties Insurance Pool Board of Trustees may participate telephonically.

Other information:

Attachments: [Agenda 12MAY11.pdf](#)

This notice was posted on: May 09, 2011 04:00 PM
This notice was last edited on: May 09, 2011 04:00 PM

Please give us feedback

Meeting Location:

1731 S. Convention Center Drive
St. George , 84020

Map this!

Contact Information:

Sonya White
801-565-8500
sonya@ucip.utah.gov

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